

## Worksheet I

### Calculation of Profit Rates With and Without Pollution Control Project Costs

#### A. Profit Rate Without Project Costs

$$\text{PRT} = \text{EBT} \div \text{R}$$

Where: PRT = Profit Rate Before Taxes  
EBT = Earnings Before Taxes  
R = Revenues

#### Three Most Recently Completed Fiscal Years

	19__	19__	19__	
EBT [Worksheet H, (4)]	<hr/>	<hr/>	<hr/>	(1)
R [Worksheet H, (1)]	<hr/>	<hr/>	<hr/>	(2)
PRT = Calculate: [(1)/(2)]	<div style="border: 3px double black; width: 100px; height: 20px;"></div>	<div style="border: 3px double black; width: 100px; height: 20px;"></div>	<div style="border: 3px double black; width: 100px; height: 20px;"></div>	(3)

**Considerations:** How have profit rates changed over the three years?

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Is the most recent year typical of the three years? ☐ Yes ☐ No  
(If not, you might want to use an earlier year or years for the analysis)

How do these profit rates compare with the profit rates for this line of business"? Please discuss below.

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## Worksheet I, Continued

### B. Profit Rate With Pollution Control Costs

$$\text{PRPR} = \text{EWPR} \div \text{R}$$

Where: PRPR = Profit Rate With Pollution Control Costs  
EWPR = Before-Tax Earnings With Pollution Control Costs  
R = Reveneus

	The Most Recently Completed Fiscal Year
	19____
EWPR [Worksheet H, (7)]	\$ _____ (4)
R [Worksheet H, (1)]	\$ _____ (5)
PRPR [Calculate: (4)/(5)]	<div style="border: 3px double black; padding: 5px; display: inline-block;">_____ (6)</div>

Considerations:

What is the percentage change in the profit rate due to pollution control costs ? Calculate as follows:  $(\text{PRPR} - \text{PR})/\text{PR} \times 100$

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How does the profit rate with pollution control compare to the profit rate of this line of business?

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